RE-ORGANISE

2 GOVERNANCE

A GUIDE FOR COOPERATIVES

GOVERNANCE

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RE-ORGANISE

Re-Organise is a project aimed at promoting alternative ways of organising. Organising differently means critically examining the habits, norms, expectations, and demands of the mainstream ways of doing business and proactively exploring and experimenting with new ones.

Re-Organise is developed by the Loughborough University Cooperative Organisation Development Programme (LUCOOP), which brought together academics and cooperative development bodies to produce this and the other booklets in the series.

This is one small piece of a much larger struggle to help us re-organise not just our organisations, but how we live together as a society.

To get updates from Re-Organise and to join the conversation about how this booklet is being used, sign up to our newsletter at:

re-organise.org

INTRODUCTION

In this booklet, we'll be taking a whistle-stop tour through some of the key organisational issues that alternative organisations – such as cooperatives and other collectively owned businesses – face. In a world of increasing environmental destruction and social injustice, more and more organisations and businesses are trying to make their services and products as ethical as possible. There are many ways to do this, and different degrees to which claims to being ethical might be deemed legitimate. The focus of this booklet, like the others in the series, is not so much on what organisations do, but on *how* they do it. Regardless of what businesses make or provide, then, we need to ask about their internal practices and structures if we really want to challenge business-as-usual.

Big structural differences – between a worker-owned cooperative and a profit-driven private company, for example – are only the most obvious and visible part of doing things differently. Underpinning those big differences are an infinite number of daily practices – norms, behaviours, policies, rules, etc. – that can make the real difference.

Operating within a capitalist world, alternative organisations are forced to follow a host of legal and administrative procedures that are designed, deliberately or otherwise, for a certain type of business. As well as the formal demands placed on businesses by this environment, there is also a strong cultural backdrop to all of this, premised on hierarchy and competition. This backdrop influences how we think workplaces and the work that goes on in them should be organised and can, unintentionally, be replicated in our practices. From legal structures to the language we use, the world is tailored towards the capitalist firm, and anyone trying to do things differently will need to consider how, when, and where there are opportunities to tweak, flip, or even ignore the system.

Covering all of this in one small pamphlet is impossible, but we want to highlight some key areas where alternative organisations can challenge existing cultures and help develop and promote new ones. Our website contains plenty of links and references to much more detailed information on all these issues and more.

LAW AND LEGAL FORMS

Early on in the process of setting up your organisation, you'll have to make some decisions about what legal form to use. There is plenty of information that can help you to understand the legal forms that are available; however, all legal forms are a means of control and discipline, no matter how 'alternative' they appear or the extent to which they may facilitate certain types of cooperation.

In order to do things like own or rent property, enter contracts, access funding, or limit your individual liability, your organisation must adopt a legal form. Legal forms, in turn, come with specific requirements and responsibilities, and they limit what you can do in different ways in exchange for these 'privileges'.

This may seem obvious and harmless enough, but this is one of the primary ways that the state controls and regulates our social and economic lives: by telling us which forms of organisation can exist (at least formally) and on what terms. The legal forms we have available for organisations such as cooperatives reflect a particular vision of how the 'free market' should operate and be regulated. The distinctions

between legal forms such as the limited company and, for example, the cooperative society, are not insignificant in practice; however, these are variations on a particular way of thinking about what a legal entity is and the nature of ownership that are central to capitalism.

So, what does this mean in practice?

1. Think strategically about the law and legal forms

The radical, transformative potential of alternative organisations is something that reaches far beyond current legal forms, and so it may be best not to put too much stock in the inherent value of one legal form over another, even though some might offer more protection than others. The law is ultimately not very amenable to more radical forms of mutuality, but you can use the law creatively and strategically to pursue your aims.

You are likely to encounter some risk aversion when it comes to the legal and governance side of your organisation. Some of this is well-founded, but sometimes risk aversion can make us adhere unnecessarily to norms and structures that mitigate against cooperation. Always have clarity on what it is that you wish to do, be clear on your preferred outcomes and don't bend your ideal to fit with other people's thinking or what has gone before. Be prepared, though, to learn from others and what has gone before.

2. Be conscious of how legal forms may limit your imagination and constrain more radical or emancipatory practices

Legal forms can influence or discipline your organisation. For example, while becoming a charity may help you to access grant funding, it also explicitly constrains 'political' activity. More subtly, legal forms discipline organisations into frameworks of economic viability that reproduce capitalist norms and force cooperatives to sacrifice their values to keep the doors open. While a strong business idea is often central, it's important to define success on your own terms. See our booklet on **strategy** for more on this.

3. Think carefully about decisions that can't be reversed

Some of the decisions you make early on in setting up your organisation can be relatively easy to change; however, there are others that are more difficult, if not impossible, to change. Once you have gone down a particular route, it may not be possible to change course. For example, asset locks – for good reason – cannot be removed, and once a charity, always a charity.

If you are at the early stages of thinking about how any business activity, membership, decision-making or participation will work, it may be best to keep any structures relatively changeable until you can involve a wider group of stakeholders in discussion about possible forms.

4. Law is no substitute for culture, good practices, and accountability

Law can do things like help protect assets, ensure a baseline of democratic decision-making, and facilitate collective and mutual ownership. You can further this by doing things like embedding your vision and values in the objects clause in your rules or articles as a point of reference, entrenching the most central clauses. Keep things simple as much as you can and ensure accessibility. Your articles or rules shouldn't just be some indecipherable legal document, but something that everyone has a stake in.

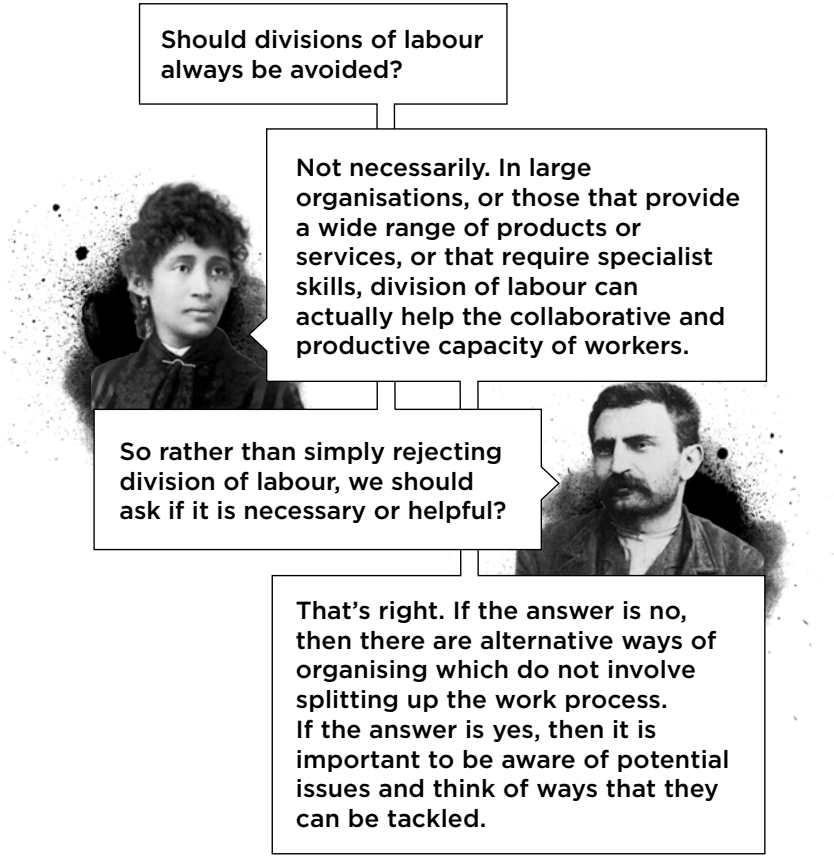
However, without an organisational culture and practical ways of working that can enable democratic participation and accountability, the law can only do so much. Ensure that your day-to-day or meeting-to-meeting processes include standard practices or agenda items to do with assessing or improving political activities or furthering a non-financial mission. Find an accountable external body who will help hold you responsible. It could be a network (e.g., Radical Routes) or it could be a council of friends/advisors; it could be a social audit that happens at regular intervals or it could be a group of members with seats on the management committee. Build into your financial planning the channelling of resources to a wider mission: inter-cooperative solidarity, cooperative movement building, etc.

DIVISION OF LABOUR

At its core, the division of labour is a method of organising work by giving people different jobs or roles: one person works on the shopfront, another does deliveries, another does the accounts, and so on. This is entirely normal in conventional firms; however, many alternative organisations have recognised that a division of labour can create discrepancies in power.

If members of an organisation are doing very different jobs, their knowledge and experiences will also be different. It's not hard to see how this can create problems. For example, someone with an admin or secretarial role might have more influence in discussions as they have more information about what is going on in the other parts of the business. Similarly, people in coordination roles might have more power due to their ability to hold or share information and communicate that information to different people.

Divisions of labour can also be accompanied by pay discrepancies due to different positions attracting different pay grades in the market. For example, in a manufacturing cooperative, it may be necessary to offer higher pay to the product designer in order to fill the role. This can create a sense of entitlement for some and dis-empowerment for others.


Should divisions of labour always be avoided?
Not necessarily. In large organisations, or those that provide a wide range of products or services, or that require specialist skills, division of labour can actually help the collaborative and productive capacity of workers.
So rather than simply rejecting division of labour, we should ask if it is necessary or helpful?
That's right. If the answer is no, then there are alternative ways of organising which do not involve splitting up the work process.
If the answer is yes, then it is important to be aware of potential issues and think of ways that they can be tackled.

We provide training to help diffuse knowledge on specialised tasks. It might not be possible for everyone to carry out specialist roles but understanding what they involve can empower workers to participate in decisions about work processes.

We use job rotation to avoid people holding onto influential positions for too long.

We have started to talk about pay, and how it relates to our needs and expectations. It can be difficult to talk about but I'm glad we are.

It can be really helpful to have open and honest discussions about fair pay and what it means for members, alongside things like job rotation and effective training.

Take some time to reflect on how work is divided up in your organisation. Are there any divisions of labour? If so, why? Do these divisions empower some and disempower others? Staying active and aware can help you to spot and address potential discrepancies when they arise.

SOCIAL DIVISIONS

We all come from a world that is deeply unequal and unjust. However successful we are at making organisations embody our values, we can't simply escape these inequities and injustices. They are embedded in histories, structures and cultures so deeply that we don't always see them. These structures and cultures inform the decisions we make, and through this, inequalities and injustices are recreated.

JEDI

Justice: Proactively working to address power imbalances and disparities beyond the meeting and the collective that you are working in. Proactively working to build mutual respect, and collective ownership and control.

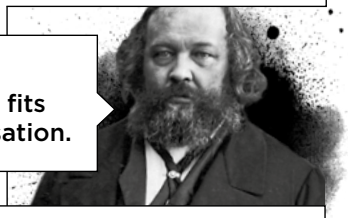
Equity: Making adjustments to the meeting that take into account participants' different needs, cultures, and interests, and making sure the everyone has an opportunity to contribute and be listened to.

Diversity: Making sure everyone is invited to a meeting.

Inclusion: Inviting everyone to participate actively in that meeting.

When you start to look critically at our collectives, you begin to see all sorts of exclusionary practice. Like requiring all members to work full-time, and not paying members to attend meetings.

Or making recruitment decisions based on who fits into the existing organisation.



It can be really helpful to have open and honest discussions about fair pay and what it means for members, alongside things like job rotation and effective training.

I agree. Your point also highlights the need to think about the inequalities and disparities that happen outside of the workplace. You have to ask why some people can afford to attend a meeting unpaid and other people can't. We need to go further than equity to think about justice.

There are so many things to consider. Maybe we should have working groups that focus on these issues, and policies that state our commitment to improving JEDI. That might help us to become more aware of how we perpetuate inequality, and position equity and justice as essential to our success.

Addressing diversity, inclusion, equity and justice doesn't just mean focusing on your own collective. It can also mean using your collective power and resources to support other collectives, or to support those from minority groups to start a collective. Are there any collectives in your local area, or collectives that share similar aims and values to you, that you could become allies with? If so, ask them what you could do to support them; allow them to define your role rather than assuming that you know what they need.

POLICIES AND PROCEDURES

Members of collectives often resist the introduction of policies and procedures. This is understandable. After all, in hierarchical organisations, they are often used as a means to control workers and can become overly bureaucratic; however, not having policies and procedures can have negative consequences.

I've started to think we need some written policies and procedures. Our first probationary members came to the end of their probation period last month and we didn't have any way of deciding whether they had passed, or any idea of what to do if they hadn't. It put us in a really tricky situation.

Yes, we're the same. One of our members went off sick last month and we didn't have processes in place to support them. No one had a clue what to do!

Having clear policies can provide a framework to guide our practice and help with accountability. Whilst informal cultures can be positive, they can also lead to informal hierarchies or other inequalities. Having more formalised policies allows people to challenge other members if, for example, they're making decisions on their own and ignoring the needs of the collective. We also have to think about our legal obligations as employers.

So how do we create policies without replicating the control and bureaucracy of capitalist organisations?

We could write all our policies and procedures collectively so they take into account both the members' needs and the needs of the collective.

We need to make sure that any policies and procedures align with our values, but also that they are written in a way that reflects our collective control. They shouldn't be written by a single member.

Yes, and we should return to them regularly so we can change them if they are not working. So not seeing them as static, but more like a tool to remind us of our aims and commitments.

Make a list of any policies that you think would benefit your cooperative and its members. Select the policy that you think is the most pressing and put aside some time in your next meeting to discuss it. The aim in this initial meeting isn't to write the whole policy, or even to decide on all of the content. You might create a separate working group and a dedicated meeting to do that. Rather, the aim is to find out whether other members agree that this is an important and necessary policy to spend time on, and if so, what you want the policy to achieve.

When writing the policy, start with your values. Think about what each of your values means in relation to the policy, and what the policy needs to include (and exclude) in order to reflect your values. Thinking about your past experiences of similar policies, or talking to other cooperatives about the policies they have in place, can also help. Our booklet on **strategy** has more guidance on putting your values into practice.

MOVING FORWARDS

We hope this booklet has helped you start thinking about the pitfalls and possibilities we face when we try to organise differently. Whether you're starting off, or an old hand, we want to promote a culture of critical questioning, not just of the capitalist world out there, but of some of our own habits and assumptions.

We've got two other booklets in this series:

- **POWER**
- **STRATEGY**

You can get them direct from Dog Section Press or find them along with links to further resources and advice on our website.

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